

Message Text

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PAGE 01 STATE 134962
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FM SECSTATE WASHDC
TO AMEMBASSY BONN PRIORITY

C O N F I D E N T I A L STATE 134962

E.O. 11652:GDS

TAGS: EGEN, GW

SUBJECT:SENSITIVE IRS INVESTIGATION

REFS: (A) BONN 1797, (B) STATE 13671

1. AFTER DEPARTMENT VIEWS REFLECTED REFTELS WERE COMMUNICATED TO IRS, NO FURTHER ACTION WAS TAKEN BY IRS UNTIL EARLY APRIL AT WHICH TIME DEPARTMENT WAS ASKED WHETHER WE WOULD HAVE ANY OBJECTION IF IRS WROTE TO EACH OF THE FORMER OFFICIALS THEY WERE INTERESTED IN INTERVIEWING (STRAUSS, BARZEL, MARX, VON BISMARCK, RINSCHER, BAHNER). AFTER CONSIDERABLE DISCUSSION WITHIN THE DEPARTMENT AND WITH IRS, WE AGREED ON A LETTER, THE TEXT OF WHICH IS GIVEN IN PARA. 2 BELOW.

2. "THE INTERNAL REVENUE SERVICE IS CONDUCTING AN INVESTIGATION OF THE TAX AFFAIRS OF ANALYSIS AND RESEARCH ASSOCIATION, INC. A CORPORATION ORGANIZED IN THE UNITED STATES. THE PRINCIPAL OFFICERS OF THE CORPORATION WERE CONFIDENTIAL

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PAUL WEYRICH, VICTOR FEDIAY AND JAMES LUCIER.

"CERTAIN RECORDS OF THE CORPORATION INDICATE THAT YOU MAY HAVE HAD DEALINGS WITH THE CORPORATION OR ITS OFFICERS DURING THE YEARS 1971 AND 1972. WHILE WE HAVE NO INFORMATION WHATSOEVER THAT INDICATES THAT YOUR OWN CONDUCT IN THIS MATTER WAS IN ANY WAY AT VARIANCE WITH THE

LAW, WE ARE QUESTIONING THE ACTIVITIES OF THE CORPORATION AND SEVERAL OF ITS OFFICERS, AND WOULD APPRECIATE THE OPPORTUNITY TO DISCUSS THE MATTER WITH YOU IN THE HOPE THAT YOU CAN PROVIDE INFORMATION WHICH WILL ASSIST IN OUR INVESTIGATION.

"IF YOU ARE WILLING TO BE INTERVIEWED WE CAN ARRANGE FOR ONE OF OUR AGENTS TO MEET WITH YOU AT YOUR CONVENIENCE IN GERMANY, OR IN THE UNITED STATES, IF YOU PREFER. THIS OF COURSE WOULD BE ENTIRELY VOLUNTARY ON YOUR PART. WE SUGGEST THIS BECAUSE WE BELIEVE IT WOULD BE MORE EXPEDITIOUS TO DEAL DIRECTLY WITH YOU RATHER THAN INDIRECTLY THROUGH CORRESPONDENCE WITH GERMAN TAX AUTHORITIES UNDER EXCHANGE OF INFORMATION PROVISIONS OF THE TAX TREATY BETWEEN GERMANY AND THE UNITED STATES.

"YOU MAY DIRECT YOUR REPLY TO ME IN WASHINGTON OR ALTERNATIVELY TO MY REPRESENTATIVE AT THE U.S. EMBASSY IN BONN. HE IS REVENUE SERVICE REPRESENTATIVE WALLACE SPENCER AND HIS TELEPHONE NUMBER IS 02221-8955.

"THANK YOU FOR YOUR COOPERATION.

"SINCERELY YOURS,"

3. IRS OFFICIALS IN WASHINGTON SENT LETTERS IN LATE APRIL AND HAVE NOW ADVISED US THAT THEY HAVE HEARD FROM ALL EXCEPT BARZEL AND VON BISMARCK. BAHNER AND RINSCHKE HAVE INDICATED THAT THEY HAVE INFORMATION AND ARE CONFIDENTIAL

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PREPARED TO TALK TO IRS OFFICIALS IN GERMANY. MARX HAS INDICATED THAT HE HAS NO INFORMATION. STRAUSS HAS RESPONDED THROUGH AN INTERMEDIARY, REINHOLD KIERLE, THAT ALTHOUGH STRAUSS HAS NO PRESENT RECOLLECTION, SOME ARRANGEMENTS MIGHT BE MADE SO THAT HE COULD REFRESH HIS MEMORY.

4. IRS NOW WISHES TO PROCEED, THROUGH RELEVANT PROVISIONS OF BILATERAL TAX TREATY, TO REQUEST FORMALLY THE ASSISTANCE OF FRG AUTHORITIES IN INTERVIEWING THE AFFECTED PERSONS, AND WILL ADDRESS A "COMPETENT AUTHORITY LETTER" TO THE APPROPRIATE GERMAN OFFICIALS SHORTLY. DEPARTMENT HAS INDICATED THAT IT WILL IMPOSE NO OBJECTION TO PROCEEDING IN THIS MANNER. VANCE

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Message Attributes

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Concepts: TEXT, INVESTIGATIONS, PUBLIC CORRESPONDENCE, FRAUDS, INCOME TAXES
Control Number: n/a
Copy: SINGLE
Sent Date: 10-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: DAGANTZ:MRP
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Executive Order: GS
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Format: TEL
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Handling Restrictions: n/a
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Line Count: 111
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